

Membership Balance Plan
Department of Defense Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 183 and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Board of Actuaries (“the Board”).
2. Mission/Function: The Board, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), shall provide the Secretary of Defense and the Deputy Secretary of Defense with independent advice and recommendations on matters relating to the DoD Military Retirement Fund, the DoD Education Benefits Fund, the DoD Voluntary Separation Incentive Fund, and other funds as the Secretary of Defense shall specify, and, in doing so, shall:
 - a. Review valuations of the DoD Military Retirement Fund, pursuant to 10 U.S.C. § 1465(c), and submit to the President and Congress, not less often than once every four years, a report on the status of the Fund, including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;
 - b. Review valuations of the DoD Education Benefits Fund, pursuant to 10 U.S.C. § 2006(e), and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - c. Review valuations of the DoD Voluntary Separation Incentive Fund and make recommendations to the President and Congress, on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis.
 - d. Review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and
 - e. Furnish advice and opinions on matters referred to the Board by the Secretary of Defense.
3. Points of View: The Board shall be comprised of three members from among qualified professional actuaries who are members of the Society of Actuaries.

Board members shall be appointed by the Secretary of Defense or the Deputy Secretary of Defense, and their appointments will be renewed on an annual basis. Board members, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants, pursuant to 5 U.S.C. § 3109, to serve as special government employee (SGE) members. Board members, who are full-time or permanent part-time

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Federal employees, shall be appointed, pursuant to 41 C.F.R. § 102-3.130(a), to serve as regular government employee (RGE) members.

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The Department has found that viewing the complex issues facing the Department through a multi-disciplinary advisory committee provides the Department and, more importantly, the American public with a broader understanding of the issues on which to base subsequent policy decisions.

The Department, unless otherwise directed by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

4. Other Balance Factors: N/A
5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries. The DoD's selection process includes the Designated Federal Officer (DFO) requesting recommendations for potential candidates from the Board's professional staff, current or departing Board members, the American Academy of Actuaries, and senior career and political officials within the DoD.

Once potential candidates are identified, the DFO and the Board's professional staff review the credentials of each individual and narrow the list of potential candidates. During the review, the DFO and the Board's professional staff strive to achieve a balance between the educational and professional credentials of the individuals and the subject matters anticipated to be reviewed by the Board to achieve expertise in points of view represented and functions to be performed.

Prior to nominating the potential candidates, the list of candidates will undergo a review by the Office of General Counsel of the Department of Defense and the Office of the Advisory Board Management Officer to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's charter and the membership balance plan. Following this review, the USD(P&R) formally nominates the potential candidates to the Secretary of Defense or the Deputy Secretary of Defense for approval. Pursuant to DoD policy, only the Secretary or the Deputy Secretary of Defense can invite or approve the appointment of individuals to serve on DoD established or supported advisory committees, unless otherwise dictated by statute or presidential directive.

Following approval by the Secretary of Defense or the Deputy Secretary of Defense, the candidates are required to complete the necessary appointment paperwork, to include meeting ethics requirements stipulated by the Office of Government Ethics for advisory committee members who are appointed as SGE members. The Secretary of Defense or the Deputy Secretary of Defense shall approve the appointment of members to the Board, for a

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15-year term of service, with annual renewals. Members appointed to fill a vacancy occurring before the term for which the predecessor was appointed shall serve only until the end of such term. A member may serve after the end of the member's term until a successor takes office.

Membership vacancies for the Board will be filled in the same manner as described in the previous five paragraphs above.

6. Subcommittee Balance: The DoD has determined that subcommittees are not authorized for this Board.
7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the rules and regulations issued by the Office of Management and Budget's Final Guidance on Appointment of Lobbyists to Federal Boards and Commissions (76 FR 61756; October 5, 2011) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared: July 1, 2014